EXHIBIT 11 – PART 7 OF 8

The following table presents the changes in number of such claims pending for the years ended December 31, 2000, 1999 and 1998.

	2000	1999	1998
Number of claims at beginning of period	100,000	86,400	77,400
Claims received	30,600	29,300	22,900
Claims settled or dismissed	(19,800)	(15,700)	(13,900)
Number of claims at end of period	110,800	100,000	86,400
Number of claims at end of period (included above) covered by agreements under which KACC expects to settle over an extended period	66,900	31,900	30,000

The Company maintains a liability for estimated asbestos-related costs for claims filed to date and an estimate of claims to be filed over a 10 year period (i.e., through 2010). The Company's estimate is based on the Company's view, at each balance sheet date, of the current and anticipated number of asbestos-related claims, the timing and amounts of asbestos-related payments, the status of ongoing litigation and settlement initiatives, and the advice of Wharton Levin Ehrmantraut Klein & Nash, P.A., with respect to the current state of the law related to asbestos claims However, there are inherent uncertainties involved in estimating asbestos-related costs and the Company's actual costs could exceed the Company's estimates due to changes in facts and circumstances after the date of each estimate. Further, while the Company does not presently believe there is a reasonable basis for estimating asbestos-related costs beyond 2010 and, accordingly, no accrual has been recorded for any costs which may be incurred beyond 2010, the Company expects that such costs are likely to continue beyond 2010, and that such costs could be substantial.

The Company believes that KACC has insurance coverage available to recover a substantial portion of its asbestos-related costs Although the Company has settled asbestos-related coverage matters with certain of its insurance carriers, other carriers have not yet agreed to settlements and disputes with certain carriers exist. The timing and amount of future recoveries from these and other insurance carriers will depend on the pace of claims review and processing by such carriers and on the resolution of any disputes regarding coverage under such policies The Company believes that substantial recoveries from the insurance carriers are probable. The Company reached this conclusion after considering its prior insurance-related recoveries in respect of asbestos-related claims, existing insurance policies, and the advice of Heller Ehrman White & McAuliffe LLP with respect to applicable insurance coverage law relating to the terms and conditions of those policies. During 2000, KACC filed suit against a group of its insurers, after negotiations with certain of the insurers regarding an agreement covering both reimbursement amounts and the timing of reimbursement payments were unsuccessful. The litigation is intended, among other things, to: (1) ensure that the insurers provide KACC with timely and appropriate reimbursement payments for asbestos-related settlements and related legal costs incurred, and (2) to resolve certain issues between the parties with respect to how specific provisions of the applicable insurance policies are to be applied. Given the significance of expected asbestos-related payments in 2001 and 2002 based on settlement agreements in place at December 31, 2000, the receipt of timely and appropriate reimbursements from such insurers is critical to KACC's liquidity The court is not expected to try the case until late 2001 or 2002. KACC is continuing to receive cash payments from the insurers.

The following tables present historical information regarding KACC's asbestos-related balances and cash flows:

	December 31, 2000	December 31, 1999
Liability (current portion of $130.0 and $53.0)	$ 492.4	$ 387 8
Receivable (included in Other assets)[1]	406.3	315 5
	$ 86.1	$ 72.3

[1] The asbestos-related receivable was determined on the same basis as the asbestos-related cost accrual. However, no assurances can be given that KACC will be able to project similar recovery percentages for future asbestos-related claims or that the amounts related to future asbestos-related claims will not exceed KACC's aggregate insurance coverage As of December 31, 2000 and 1999, $36 9 and $25 0, respectively, of the receivable amounts relate to costs paid. The remaining receivable amounts relate to costs that are expected to be paid by KACC in the future.

	Year Ended December 31, 2000	1999	1998	Inception To Date
Payments made, including related legal costs	$ 99.5	$ 24 6	$ 18 5	$ 220.5
Insurance recoveries	62 8	6.6	19 9	131.3
	$ 36 7	$ 18.0	$ (1.4)	$ 89.2

	As of December 31, 2000: 2001 and 2002	2003 to 2005	Thereafter
Expected annual payment amounts, before considering insurance recoveries	$110 0 - $135.0	$25 0 - $50 0	$125.0

Management continues to monitor claims activity, the status of lawsuits (including settlement initiatives), legislative developments, and costs incurred in order to ascertain whether an adjustment to the existing accruals should be made to the extent that historical experience may differ significantly from the Company's underlying assumptions This process resulted in the Company reflecting charges of $43.0, $53.2 and $12.7 (included in Other income(expense) - see Note 1) in the years ended December 31, 2000, 1999 and 1998, respectively, for asbestos-related claims, net of expected insurance recoveries, based on recent cost and other trends experienced by KACC and other companies While uncertainties are inherent in the final outcome of these asbestos matters and it is presently impossible to determine the actual costs that ultimately may be incurred and insurance recoveries that will be received, management currently believes that, based on the factors discussed in the preceding paragraphs, the resolution of asbestos-related uncertainties and the incurrence of asbestos-related costs net of related insurance recoveries should not have a material adverse effect on the Company's consolidated financial position or liquidity. However, as the Company's estimates are periodically re-evaluated, additional charges may be necessary and such charges could be material to the results of the period in which they are recorded

Labor Matters. In connection with the USWA strike and subsequent lock-out by KACC, which was settled in September 2000, certain allegations of unfair labor practices ("ULPs") were filed with the National Labor Relations Board ("NLRB") by the USWA As previously disclosed, KACC responded to all such allegations and believes that they were without merit Twenty-two of twenty-four allegations of ULPs previously brought against KACC by the USWA have been dismissed A trial before an administrative law judge for the two remaining allegations

commenced in November 2000 and is continuing. The Company is unable to estimate when the trial will be completed. Any outcome from the trial before the administrative law judge would be subject to additional appeals by the general counsel of the NLRB, the USWA or KACC. This process could take months or years. If these proceedings eventually resulted in a final ruling against KACC with respect to either allegation, it could be obligated to provide back pay to USWA members at the five plants and such amount could be significant The Company continues to believe that the charges are without merit While uncertainties are inherent in matters such as this and it is presently impossible to determine the actual costs, if any, that may ultimately arise in connection with this matter, the Company does not believe that the ultimate outcome of this matter will have a material adverse impact on the Company's liquidity or financial position. However, amounts paid, if any, in satisfaction of this matter could be significant to the results of the period in which they are recorded.

Other Contingencies The Company or KACC is involved in various other claims, lawsuits, and other proceedings relating to a wide variety of matters related to past or present operations. While uncertainties are inherent in the final outcome of such matters, and it is presently impossible to determine the actual costs that ultimately may be incurred, management currently believes that the resolution of such uncertainties and the incurrence of such costs should not have a material adverse effect on the Company's consolidated financial position, results of operations or liquidity.

13. Derivative Financial Instruments and Related Hedging Programs

In conducting its business, KACC uses various instruments, including forward contracts and options, to manage the risks arising from fluctuations in aluminum prices, energy prices and exchange rates KACC enters into hedging transactions to limit its exposure resulting from (1) its anticipated sales of alumina, primary aluminum, and fabricated aluminum products, net of expected purchase costs for items that fluctuate with aluminum prices, (2) the energy price risk from fluctuating prices for natural gas, fuel oil and diesel oil used in its production process, and (3) foreign currency requirements with respect to its cash commitments with foreign subsidiaries and affiliates.

As KACC's hedging activities are generally designed to lock-in a specified price or range of prices, gains or losses on the derivative contracts utilized in these hedging activities (except the impact of those contracts discussed below which have been marked to market) will generally offset at least a portion of any losses or gains, respectively, on the transactions being hedged. See Note 1 for a discussion of the effects of the new accounting requirements under SFAS No. 133, which will be used for reporting results beginning with the first quarter of 2001. The following table summarizes KACC's derivative hedging positions at December 31, 2000:

Commodity	Period	Notional Amount	Estimated % of Annual Sales/Purchases Hedged	Carrying Value	Market Value
Aluminum (in tons) -					
Option contracts	2001	362,000	82%(1)	$ 18.2	$ 3 1
Option contracts	2002	262,000	52%(1)	10.9	13.4
Option contracts	2003	42,000	9%(1)	1.8	1.7
Natural gas (in MMBtus per day) -					
Option contracts and swaps	1/01 to 6/01	27,900	24%	1.3	21.8
Australian dollars (A$ per year) -					
Forwards and option contracts	2001	A$ 160.0	80%	1 4	(5.2)
Option contracts	2002 to 2005	A$ 90.0	56%	12 2	13.3

(1) As of February 28, 2001, the estimated percentages of annual sales of primary aluminum (equivalents) hedged for 2001, 2002 and 2003 were 82%, 63% and 14%, respectively.

During late 1999 and early 2000, KACC also entered into a series of transactions with a counterparty that provided KACC with a premium over the forward market prices at the date of the transaction for 2,000 tons of primary aluminum per month during the period January 2000 through June 2001 KACC also contracted with the counterparty to receive certain fixed prices (also above the forward market prices at the date of the transaction) on 4,000 tons of primary aluminum per month over a three year period commencing October 2001, unless market prices during certain periods decline below a stipulated " floor" price, in which case the fixed price sales portion of the transactions terminate. The price at which the October 2001 and after transactions terminate is well below current market prices While the Company believes that the October 2001 and after transactions are consistent with its stated hedging objectives, these positions do not qualify for treatment as a " hedge" under both pre-2001 and post-2001 accounting guidelines Accordingly, these positions are marked-to-market each period. See Note 1 for mark-to-market pre-tax gains (losses) associated with the transactions for the years ended December 31, 2000, 1999 and 1998

As of December 31, 2000, KACC had sold forward approximately 100% and 80% of the alumina available to it in excess of its projected internal smelting requirements for 2001 and 2002, respectively, at prices indexed to future prices of primary aluminum.

14. Segment and Geographical Area Information

The Company's operations are located in many foreign countries, including Australia, Canada, Ghana, Jamaica, and the United Kingdom. Foreign operations in general may be more vulnerable than domestic operations due to a variety of political and other risks. Sales and transfers among geographic areas are made on a basis intended to reflect the market value of products

The Company's operations are organized and managed by product type. The Company operations include four operating segments of the aluminum industry and its commodities marketing and corporate segments. The aluminum industry segments include: Alumina and bauxite, Primary aluminum, Flat-rolled products and Engineered products The Alumina and bauxite business unit's principal products are smelter grade alumina and chemical grade alumina hydrate, a value-added product, for which the Company receives a premium over smelter grade market prices. The Primary aluminum business unit produces commodity grade products as well as value-added products such as rod and billet, for which the Company receives a premium over normal commodity market prices The Flat-rolled products group sells value-added products such as heat treat aluminum sheet and plate which are used in the aerospace and general engineering markets as well as selling to the beverage container and specialty coil markets. The Engineered products business unit serves a wide range of industrial segments including the automotive, distribution, aerospace and general engineering markets. The Company uses a portion of its bauxite, alumina and primary aluminum production for additional processing at its downstream facilities. Transfers between business units are made at estimated market prices. The Commodities marketing segment includes the results of KACC's alumina and aluminum hedging activities (see Note 13) The accounting policies of the segments are the same as those described in Note 1. Business unit results are evaluated internally by management before any allocation of corporate overhead and without any charge for income taxes, interest expense or non-recurring charges

Financial information by operating segment at December 31, 2000, 1999 and 1998 is as follows:

	Year Ended December 31,		
	2000	1999	1998
Net Sales:[3]			
Bauxite and Alumina:[1][4]			
Net sales to unaffiliated customers	$ 442 2	$ 395.8	$ 445.2
Intersegment sales	148.3	129.0	135.8
	590.5	524.8	581.0
Primary Aluminum:[2][4]			
Net sales to unaffiliated customers	563 7	432 9	390 7
Intersegment sales	242 3	240 6	233 5
	806.0	673.5	624 2
Flat-Rolled Products	521.0	591.3	732 7
Engineered Products	564 9	556 8	595.3
Commodities Marketing[4]	(25.4)	18.3	60.5
Minority Interests	103.4	88.5	78.0
Eliminations	(390.6)	(369.6)	(369.3)
	$ 2,169 8	$ 2,083 6	$ 2,302.4
Equity in income (loss) of unconsolidated affiliates:			
Bauxite and Alumina	$ (8.4)	$ 3.4	$ (3.2)
Primary Aluminum	3.6	(1.0)	1 2
Engineered Products and Other	-	2.5	7.4
	$ (4.8)	$ 4 9	$ 5.4
Operating income (loss):[4][6]			
Bauxite and Alumina - Note 2	$ 57.2	$ (10.5)	$ 5.5
Primary Aluminum[5]	100.1	(4.8)	28.3
Flat-Rolled Products	16.6	17.1	86 8
Engineered Products	34.1	38.6	51 5
Commodities Marketing[4]	(48 7)	21 3	98.1
Micromill	(.6)	(11.6)	(18.4)
Eliminations	.1	6.9	8 9
Corporate and Other	(61 4)	(61 8)	(65 1)
Labor Settlement and Other Non-Recurring Operating Items, Net - Notes 5 and 6	41.9	(24 1)	(105.0)
	$ 139 3	$ (28.9)	$ 90.6

	Year Ended December 31,		
	2000	1999	1998
Depreciation and amortization.			
Bauxite and Alumina - Note 2	$ 22.2	$ 29 7	$ 36 4
Primary Aluminum	24 8	27 8	29.9
Flat-Rolled Products	16 7	16 2	16 1
Engineered Products	11.5	10 7	10.8
Corporate and Other (includes Micromill in 1999 and 1998)	1 7	5.1	5.9
	$ 76 9	$ 89 5	$ 99.1
Capital expenditures:			
Bauxite and Alumina - Note 2	$ 254 6	$ 30 4	$ 26 9
Primary Aluminum	9 6	12 8	20.7
Flat-Rolled Products	7 6	16 6	20 4
Engineered Products - Note 4	23 6	7 8	8 4
Corporate and Other	1.1	.8	1.2
	$ 296 5	$ 68 4	$ 77.6

(1) Net sales for 2000 and 1999, included approximately 267,000 tons and 264,000 tons, respectively of alumina purchased from third parties and resold to certain unaffiliated customers of the Gramercy facility and 55,000 tons and 131,000 tons, respectively, of alumina purchased from third parties and transferred to the Company's Primary aluminum business unit.

(2) Net sales for 2000, 1999 and 1998 included approximately 206,500 tons, 260,100 tons and 251,300 tons, respectively, of primary aluminum purchased from third parties to meet third-party and internal commitments

(3) Net sales for 1999 and 1998 for all segments have been restated to conform to a new accounting requirement which states that freight charges should be included in cost of products sold rather than netted against net sales as was the Company's prior policy.

(4) Net sales and operating income (loss) for Bauxite and alumina and Primary aluminum segments for 1999 and 1998 have been restated to reflect a change in the Company's segment reporting. The results of the Company's metal hedging activities in the Commodities marketing segment are now set out separately rather than being allocated between the two commodity business units

(5) Operating income (loss) for 1999 included potline preparation and restart costs of $12.8.

(6) The allocation of the labor settlement charge to the Company's business units for the year ended December 31, 2000, is as follows Bauxite and Alumina - $2 1, Primary aluminum - $15.9, Flat-rolled products - $18.2 and Engineered products - $2 3

	December 31,	
	2000	1999
Investments in and advances to unconsolidated affiliates.		
Bauxite and Alumina	$ 56.0	$ 71 6
Primary Aluminum	19.0	25 3
Corporate and Other	2.8	-
	$ 77.8	$ 96.9

	December 31,	
	2000	1999
Segment assets:		
Bauxite and Alumina	$ 957.0	$ 777.7
Primary Aluminum	623 3	560 8
Flat-Rolled Products	337 7	423.2
Engineered Products	232.9	253.1
Commodities Marketing	62.1	99.0
Corporate and Other (includes Micromill in 1999)	1,130.1	1,085.0
	$ 3,343 1	$ 3,198.8

Geographical information for net sales, based on country of origin, and long-lived assets follows:

	Year Ended December 31,		
	2000	1999	1998
Net sales to unaffiliated customers:			
United States	$ 1,350.1	$ 1,439.6	$ 1,744 0
Jamaica	298.5	233.1	237 0
Ghana	237 5	153 2	89.8
Other Foreign	283.7	257 7	231.6
	$ 2,169.8	$ 2,083 6	$ 2,302.4

	December 31,	
	2000	1999
Long-lived assets:[1]		
United States	$ 809 0	$ 688.1
Jamaica	290 3	288.2
Ghana	80 8	84 1
Other Foreign	73.8	90.2
	$ 1,253.9	$ 1,150 6

[1] Long-lived assets include Property, plant, and equipment, net and Investments in and advances to unconsolidated affiliates.

The aggregate foreign currency gain included in determining net income was immaterial for the years ended December 31, 2000, 1999 and 1998 No single customer accounted for sales in excess of 10% of total revenue in 2000, 1999 and 1998. Export sales were less than 10% of total revenue during the years ended December 31, 2000, 1999 and 1998.